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HARRIS TRUST BUILDING, CHICAGO

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(T. D. 1894)

*Income tax ruling as to how and by whom
certificates of ownership may be signed
in cases where bonds of corpora-
tions, joint stock companies,
or associations, and insur-
ance companies are
owned by nonres-
ident aliens.*

Washington, D. C., Nov. 12, 1913.

To Collectors of Internal Revenue:

Coupons (or orders for registered interest) payable in the United States, representing the interest on bonds owned by non-resident aliens, *must be accompanied by the prescribed Certificate Form 1004*, as per Treasury Regulations of October 25, 1913—but this certificate may be signed either by the owner himself (herself or themselves) or in behalf of the owner by a reputable bank or bankers, or other responsible collecting agency, certifying to the ownership of the bonds and giving the name and address of the bona fide non-resident and alien owners, and when such Certificate is thus attached the normal tax of one per cent on such coupons or interest orders need not be withheld at the source by the Debtor or collecting agency.

Respectfully,

W. H. OSBORN,

Commissioner.

Approved:

W. G. McADOO,

Secretary of the Treasury.

33639
Rem. 31th
p. 218

HARRIS TRUST & SAVINGS BANK

(T. D. 1897)

Instructions to Collectors Relative to Corporations, Joint-Stock Companies or Associations, and Insurance Companies Making Return of Annual Net Income for Their Fiscal Years Instead of the Calendar Year.

Washington, D. C., Nov. 14, 1913.

To Collectors of Internal Revenue:

The Federal income-tax law (section 2, act of Oct. 3, 1913) authorizes corporations, joint-stock companies, etc., under certain conditions to make their returns on the basis of an established "fiscal year," or consecutive 12-months' period, which may be other than the calendar year.

Pursuant to this provision, the following instructions are issued for the guidance of collectors and other interested parties:

Any corporation, joint-stock company or association, or any insurance company, subject to the tax imposed by this act, may, at its option, have the tax payable by it computed upon the basis of the net income received (accrued) from all sources during its fiscal year, *provided* that it shall designate the *last day* of the month selected as the month in which its fiscal year shall close as the day of the closing of its fiscal year, and shall, *not less than thirty days prior to the date upon which its annual return is to be filed*, give notice, in writing, to the collector of internal revenue of the district in which its principal place of business is located, of the day it has thus designated as the closing of such fiscal year.

In pursuance of this provision, a corporation or like organization subject to this tax may, for example, designate the 30th day of September as the day for the closing of its fiscal year, whereupon its return of annual net income shall be filed with the collector of internal revenue of the district in which its principal place of business is located not later than 60 days after the close of its said proposed fiscal year; that

is to say, on or before the 29th day of November next succeeding.

The date of the closing of the fiscal year having been designated, notice thereof must be given to the collector *not less than thirty days prior to the last day of such sixty-day period*. In the case just instanced, the notice must be given not later than October 31.

If such designation (Sept. 30, 1913), had been made and notice given, as hereinbefore indicated, as to the closing of the fiscal year 1913, the corporation would be authorized to make its return and have the tax payable by it computed upon the basis of the net income received (accrued) by it during the period from January 1 to September 30, 1913, both dates inclusive.

In the absence of such designation and notice of the closing of the fiscal year corporations and like organizations subject to this tax will be required to make their returns and have the tax computed upon the basis of the net income for the calendar year.

Collectors of internal revenue receiving notices of the selection and designation of the "fiscal years," as above indicated, will make record of the same, recording (a) the name of the corporation or like organization, (b) the date when the notice was given, (c) the day designated for the closing of the fiscal year, and (d) the date when the return under such designation must be filed, which must be, as above stated, not later than the last day of the 60-day period next following the day designated as the close of the fiscal year.

If it shall appear that for the current year the notice was given within the prescribed time—that is, within 30 days of the last day of the 60-day period—the 1913 return may be made as of the fiscal year so established; otherwise it will be made *on the basis of the calendar year* until such time as the designation shall be duly made and notice thereof properly given.

The designation and notice can not be retroactive; that is to say, if a corporation

now designates April 30, 1914, as the date of the closing of its fiscal year and gives notice of such designation, it would not be authorized to make a return for the 4 months ended April 30, 1913, and then for the fiscal year ended April 30, 1914, nor would it be authorized to make one return covering the entire 16 months ended April 30, 1914. In the case of such corporation the return for the current year must be made for the calendar year ended December 31, 1913, and then assuming that designation and notice had been properly made and given, it may make a return for the 4 months ended April 30, 1914, and *thereafter* the return will be made on the basis of the fiscal year so established.

In all cases where a fiscal year is not established as above prescribed returns must be made on the basis of the calendar year, in which case such returns must be filed on or before the 1st day of March next succeeding such calendar year.

Such returns, for the period covered, must be true and accurate, definite and complete, and, in as far as consistent with the provisions of the law, must conform to the showing made by the books of the company, and must be verified under oath or affirmation of its president or other principal officer, and its treasurer or assistant treasurer; that is to say, by two different persons acting in the official capacity indicated.

If it shall appear in any case that returns have been made to the collector on the basis of a fiscal year not designated as above indicated, the corporations making such returns will be advised that such returns can not be accepted, but must be made to cover the business of the calendar year.

Returns made under this act and pursuant to these instructions must be made on the new forms prescribed by this department.

The forms heretofore in use, under the special excise-tax law, can not be used for making returns for either the fiscal or calendar year 1913.

If returns of such corporations as have properly established a fiscal year are due to be made before the new forms are available, the collector will be authorized to grant an extension of time to such corporations, not exceeding 30 days, for the filing of such returns, by which time the new forms prescribed will be available for distribution.

W. H. OSBORN,
Commissioner.

Approved:

W. G. McADOO,
Secretary of the Treasury.

(T. D. 1901)

Waiver Until March 31, 1914, of Treasury Requirements for the Filing in on Certificates of the Numbers of the Bonds of Corporations, Etc., Upon the Interest From Which the Normal Income Tax of One Per Cent Is Required To be Deducted at the Source Under the Provisions of the Income Tax Law.

Washington, D. C., Nov. 28, 1913.

Notice is hereby given that the Treasury Regulations heretofore issued, which require that the *numbers of the bonds*, or other like obligations of corporations, etc., from which interest coupons are detached, or upon which registered interest is to be paid, shall be filled in on the Certificates, are hereby waived, *so far as the filling in of the numbers of the bonds or other such obligations on the Certificate is concerned*, until March 31, 1914.

In all other respects, the Certificates referred to must be filled in in accordance with the Treasury Regulations, before the coupons or orders for registered interest to which they may be attached shall be paid.

W. H. OSBORN,
Commissioner of Internal Revenue.

Approved: November 28, 1913.

W. G. McADOO,
Secretary of the Treasury.

(T. D. 1902)

***Extension of Time for Use of Temporary Form
1005, From November 16, 1913, to Janu-
ary 15, 1914, So Far as Foreign
Holders of Coupons and In-
terest Orders May Be
Concerned.***

Washington, D. C., Nov. 28, 1913.

The time for the use of Temporary Certificate, Form 1005, shall be extended from November 16, 1913, to January 15, 1914, when signed by a person, firm or corporation licensed under Paragraph E, of the Income Tax Law, provided such form shall only be used in cases where the coupons to which it shall relate shall have been received by such licensed person, firm, or corporation from a foreign country.

W. H. OSBORN,
Commissioner.

Approved: November 28, 1913.

W. G. McADOO,
Secretary of the Treasury.

(T. D. 1903)

***Regulations Permitting the Substitution,
Under Certain Conditions, of the Certifi-
cates of Banks, Bankers, or Other Collect-
ing Agents, for the Certificates of the
Owners Required To Be Attached to
Interest Coupons When Presented
for Collection, Under Income Tax
Regulations of October 25, 1913,
and Those Supplementary
Thereto.***

Washington, D. C., Nov. 28, 1913.

Treasury Regulations of October 25, 1913, and those supplementary thereto, require that, under the conditions therein prescribed, there shall be attached to interest coupons, maturing on bonds and other similar obligations of corporations, etc., which may be presented for collection certain certificates of ownership signed by the owners of the bonds from which the coupons were detached or by their duly authorized agents.

HARRIS TRUST & SAVINGS BANK

Notice is hereby given that responsible banks, bankers and collecting agents receiving coupons for collection with the afore-said certificates of ownership attached, may either present the coupons with the attached certificates to the debtor or withholding agent for collection, or, at the option of the collecting agent, the certificates above referred to may be detached from such coupons and forwarded direct to the Commissioner of Internal Revenue at Washington, D. C., as hereinafter set forth, *provided* such bank, banker or collecting agent shall thereupon substitute for said owners' certificate and attach to said coupons, in lieu of said certificate of owner, a certificate signed by said bank, banker or collecting agent, to whom said coupons may have been first presented for collection, in substantially the following form:

Form 1000A

FORM OF CERTIFICATE TO BE ATTACHED TO
INTEREST COUPONS IN CASES WHERE THE
COLLECTING AGENT'S CERTIFICATE
IS SUBSTITUTED FOR THE CER-
TIFICATE OF THE OWNERS.

The owner's certificate, of which the following certificate is the counterpart, and bears the same number as this certificate, will be sent by the collecting agent direct to the Commissioner of Internal Revenue, at Washington, as prescribed by Regulations.

No.

I (we)do solemn-
(Name of collecting agent)
ly declare that the owner of \$.
bonds of the
(Name of debtor organization)
from which were detached the accompany-
ing interest coupons due.
(Maturity)

191..., amounting to \$.
has filed with me (us) a duly executed cer-
tificate filled up in accordance with Treas-
ury Regulations of October 25, 1913, Form
No., which certificate has been

HARRIS TRUST & SAVINGS BANK

indorsed by me (us) as follows: "Owner's certificate No.191..."

(Name of collecting agency)
and in which the said owner does claim,
(does not)

with respect to the income represented by said interest, the benefit of a reduction of \$....., allowed under Paragraph C, Section II, of the Federal Income Tax Law, the total exemption to which said owner now claims to be entitled thereunder being \$....., and I (we) do hereby promise and pledge myself to
(ourselves)

forward the above described certificate executed by the owners as stated and dated,, 191..., to the Commissioner of Internal Revenue, at Washington, D. C., not later than the 20th day of next month, in accordance with Treasury Regulations.

.....
(Signature of Collecting Agent)

Address.....

Date.....,191...

The certificate of the owner, for which the foregoing certificate of the collecting agent may be thus substituted by the collecting agent first receiving said coupons for collection must be given the following endorsement by the collecting agents and should be made preferably with a rubber stamp:

"Owner's Certificate No.

.....
(Name of Collecting Agency)

.....191.
(Give Date of Certificate)

The counterpart of the within certificate bearing like number was attached to the coupons within mentioned for delivery to the debtor or withholding agent, by whom the coupons are payable."

Certificates of owners for which collecting agents' certificates are substituted must

be forwarded to the Commissioner of Internal Revenue at Washington, D. C., by the collecting agency receiving them not later than the twentieth day of the month succeeding that in which said coupons were thus received for collection.

All banks, bankers, or other collecting agents who may substitute their certificates for the certificates of owners under the foregoing plan will be required to keep a complete record of all such transactions and substitutions of certificates, showing all certificates for which the collecting agents' certificates have been issued in lieu of the owners' certificates.

This record should be kept by months and should give the following information:

Serial number of item received.

Date received.

Name of person from whom received.

Address.

Name of debtor corporation.

Class of bond from which coupons were cut.

Face amount of coupons collected.

Deductions from tax claimed by owners under Paragraph C of Federal Income Tax Law.

Amount of interest collected.

Until the further ruling by this Department the banks, bankers and other collecting agents who may substitute their certificates for the certificates of owners under the foregoing plan will not be required to secure a License from the Treasury Department for being permitted to make such substitutions of their own certificates for those of the owners, provided these regulations are strictly complied with.

The permission to banks, bankers and collecting agents to substitute their own certificates under the above regulations for those of the owners of the bonds, etc., will extend to responsible banks, bankers and

collecting agents in foreign countries, as well as to those of the United States.

W. H. OSBORN,
Commissioner of Internal Revenue.

Approved, Nov. 28, 1913:

W. G. McADOO,
Secretary of the Treasury.

(T. D. 1904)

***Supplemental Regulations Relative to Duty
Authorized Agent's Authority to Sign
Certificates of Ownership Which
Accompany Coupons or Reg-
istered Interest Orders
When Presented
for Collec-
tion.***

Washington, D. C., Nov. 28, 1913.

Certificates of ownership, which are required to accompany all coupons or registered interest orders under regulations made in pursuance of Section 2, Act of October 3, 1913, may be signed in the name of the owner of the bonds, by his duly authorized agent, and the said certificates shall give the full name and address of both the owner and his authorized agent.

If the person, firm or organization to whom the certificate thus signed is presented for collection, is reasonably satisfied as to the identity and responsibility of the person signing as duly authorized agent, he or it shall stamp or write on the face of said certificate, "Satisfied as to identity and responsibility of agent," giving name and address of person thus certifying, and said certificate may then be accepted by persons, firms, or organizations to whom presented without requiring further evidence as to authority of agent.

If the person, firm, or organization first receiving certificate of ownership signed by an agent is not satisfied or can not satisfy himself or itself as to the agent's identity and responsibility, then, in that event, the authorized agent shall furnish evidence of his authority so to act, which evidence will

be retained by the person, firm, or organization receiving it, and the certificate of ownership shall then be endorsed as provided herein.

W. H. OSBORN,
Commissioner of Internal Revenue.

Approved:

W. G. McADOO,
Secretary of the Treasury.

(T. D. 1905)

Supplemental Regulations Relative to Partnerships.

Washington, D. C., Nov. 28, 1913.

Inasmuch as individual members of a partnership are liable for income tax upon their respective interest in the net earnings of said partnership and are required to include said net earnings in their personal returns, the partnership may file with the debtor corporation, or with a withholding agent, a notice, signed in the name of the partnership, by a member thereof, claiming a deduction of a specific amount on account of the legitimate expenses (not including the personal or living expenses of the partners) incurred in conducting the business of said partnership, and upon receipt of said notice, said withholding agent shall not withhold, and shall not be held liable for, the normal tax on the amount of income equal to the amount of deduction claimed in said notice, but in no event shall the total of the amounts claimed, as provided herein, be in excess of the total amount of the actual legitimate annual expenses incurred by said partnership in the conduct of its business. Application for such deduction shall be made in substantially the following form:

Form 1011

FORM OF CERTIFICATE TO BE FILED WITH
WITHHOLDING AGENTS BY PARTNER-
SHIPS CLAIMING DEDUCTIONS.

"I,, a member
of the firm or partnership of
of....., conducting a busi-
ness of.....

(Give character of business conducted by partnership.)

and residing at....., do solemnly

(Give full address.)

declare that the said partnership is the
owner of \$..... bonds
of the denomination of \$.....
each, Nos. of
theknown

(Give name of debtor.)

as bonds,

(Describe the particular issue of bonds.)

from which were detached the accompany-
ing interest coupons, due

....., 191..., amounting to
\$....., or

upon which there matured.....

....., 191..., \$.....

of registered interest, or is the owner of

..... upon

(Property or investments.)

which there accrued,

191..., \$..... of
income.

We hereby claim a deduction of \$.....

..... allowed on account
of the actual expenses incurred in conduct-
ing said business under regulations made
in pursuance of Section 2, Act of October
3, 1913, and do solemnly declare that
neither the partnership nor its individual
members has claimed deductions in excess
of its total actual legitimate annual ex-
penses of conducting the business of said
partnership, and that no portion of the liv-
ing or personal expenses of the partners is
included in the deductions claimed.

Name of Signing Partner.....

For.....

(Name of partnership.)

Address.....

Date....., 191...

Partnerships are not subject *as partnerships* to the income tax and are required to make statements of their income and earnings as partnerships only when requested to do so by the Commissioner of Internal Revenue or the Collector of Internal Revenue for the district in which said partnership has its principal place of business, and when such a statement is required, as aforesaid, the said statement shall give a complete and correct report of the gross income of the said partnership and also a complete account of the actual legitimate annual expenses of conducting the business of said partnership (not including living and personal expenses of the partners) and the net profits and the name and address of each of the members of said partnership and their respective interest in the net profits thus reported.

The net annual income of a partnership when apportioned and paid to the members thereof, shall be returned by each individual partner receiving same, in his annual return of net income and the tax shall be paid thereon by said individual partner, as required by law.

When the annual income of a partnership is not distributed and paid to the members thereof, the respective interest of each member in said profits shall be ascertained, and the individuals entitled thereto shall include the said amount in their annual return as part of their gross income, the same as if said profits had been distributed and paid to them.

Undivided annual net income of partnerships thus returned by the individual members thereof, upon which the tax shall have been paid, shall not, when said profits are actually distributed and paid to the partners, be again included in their annual return as a part of their gross income.

Foreign partnerships or firms, all the members of which are both citizens or subjects and residents of a foreign country, which are the owners of bonds and mortgages or deeds of trust or other similar

obligations, including equipment trust agreements, receivers' certificates, and stocks, of corporations, joint-stock companies or associations and insurance companies organized or doing business in the United States, may file with the debtor or withholding agent, with their coupons or orders for registered interest, or orders for other income derived from property or investments in the United States, certificate and notice of ownership, setting forth the facts as to nonresidence and alienship, and the debtor or withholding agent shall not withhold any part of their said income.

Where a foreign partnership or firm is composed of both nonresident foreigners and citizens of the United States, or foreigners resident in the United States or its possessions, the certificate of ownership shall show this fact, and the name and legal address of each member of said partnership, who is a citizen of the United States or who is a foreigner residing in the United States or its possessions, shall be given on the said certificate and no part of said income shall be withheld by the paying agent.

The said certificate and notice of ownership shall be in substantially the following form:

Form 1014

FORM OF CERTIFICATE TO BE PRESENTED
WITH COUPONS OR INTEREST, OR OTHER
INCOME ORDERS, DETACHED FROM
BONDS OR OTHER OBLIGATIONS
OWNED BY PARTNERSHIP
OR FIRMS OF FOREIGN
COUNTRIES

I,, a member of the
firm or partnership of.....of
.....and residing at.....,
.....do solemnly declare
(Give full address.)

that the said partnership is the owner of
\$..... bonds of the denomination of
\$.....each, Nos.....
of the.....

(Give name of debtor.)

known as.....from which
(Describe particular issue of bonds.)
were detached the accompanying interest

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coupons, due.....191..., amount-
ing to \$....., or upon which there
matured 191..., \$.....
of registered interest, or is the owner of

.....
(Property or investments.)

upon which there has accrued,
191..., \$..... of income and that
all the members of said firm or partnership,
except

(Give name and address of partners not non-
....., are nonresident for-
resident aliens.)

eigners and as such are exempt from the
income tax imposed on such income by the
United States Government under the law
enacted October 3, 1913, and that no citi-
zen of the United States, wherever resid-
ing, or foreigner residing in the United
States, or any of its possessions, except
those named above, has any interest in said
bonds, coupons or interest.

Name of partner signing.....

For
me of partnership)

Address.....

Date.....191....

W. H. OSBORN,

Commissioner of Internal Revenue.

Approved:

W. G. McADOO,

Secretary of the Treasury.

(T. D. No. 1906.)

***Supplemental Regulations Designating Guard-
ians, Trustees, Executors, Administrators,
Agents, Etc., as the "Source" for Purpose
of Collecting Income Tax and as to
Making Annual and List Returns
and Withholding Tax.***

Washington, D. C., November 28, 1913.

Guardians, trustees, executors, adminis-
trators, agents, receivers, conservators, and
all persons, corporations, or associations

acting in any fiduciary capacity *hereinafter referred to and known as the fiduciary*, who hold in trust an estate of another person or persons shall be designated the "source" for the purpose of collecting the income tax, and by filing the following notice with other debtors or withholding agents, said fiduciary shall be exempt from having any income due to them as such, withheld for any income tax by any other debtor or withholding agent.

Other debtors or withholding agents, upon receipt of this notice, shall refrain from withholding any part of such income from said Fiduciary and will not, in such case, be held liable for normal tax of 1 per cent due thereon. The form of notice to be filed with the debtor or withholding agent by the Fiduciary shall be substantially, as follows:

Form 1015

FORM OF CERTIFICATE TO BE FILED WITH
DEBTOR OR WITHHOLDING AGENTS
BY FIDUCIARIES.

The following form of certificate should be filed with the debtor, or its paying agents, at the time of the payment to the Fiduciary, or his representative, of all coupons, interest orders, rents, and all other kinds of income whatsoever upon which the tax on income is required to be withheld at the source.

"I (we) do solemnly declare that I (we)

(Name Fiduciary.)

am (are) the duly authorized.....

(Indicate in

.....for the beneficiaries
(what capacity acting.)

of the estate or trust of.....,
which estate or trust is entitled to the in-
come from \$..... bonds of the de-
nominations of \$..... each, Nos.

of the.....

(Give name of debtor.)

known as

(Describe the particular issue of bonds.)

bonds, from which were detached the accompanying coupons, due, 191..., amounting to \$....., or upon which there has matured, 191..., \$..... of registered interest, or which estate or trust is entitled to other income from property or investments upon which there accrued, 191..., \$..... of income.

Acting for and in the capacity as stated herein, I (we) hereby assume the duty and responsibility, imposed upon withholding agents under the law, of withholding and paying the income tax due, for which I (we) may be liable, and acting in said fiduciary capacity as stated herein, I (we) do hereby claim exemption from having the normal tax withheld from said income.

.....,
(Name) (Capacity in which acting.)

Address:

Date..... 191....

RETURNS MADE BY FIDUCIARY
AGENTS.

Said Fiduciaries shall, on or before March first of each year, when the annual interest of any beneficiary in said income is in excess of \$3,000, make and render a return of the income of the person or persons for whom they act, to the Collector of Internal Revenue of the district in which the Fiduciary resides.

This return shall give an itemized statement of the gross income and deductions claimed and shall be in the same form as prescribed for annual returns made by individuals.

Said Fiduciary acts for, and in behalf of, the beneficiaries of said trust; and the annual return required as above in behalf of said beneficiaries has reference only to the income accruing and payable through said Fiduciary, and not the income of said beneficiaries from other sources, unless the said Fiduciary is legally authorized to act for said beneficiaries in their individual

capacity, in which case said Fiduciary, acting as duly authorized agent of the individual, shall also make the personal annual return as provided by law.

There shall accompany the annual return of said Fiduciary a list giving the name and full address of each beneficiary and the share of said income to which each may be entitled.

LIST RETURNS FILED BY FIDUCIARY
AGENTS.

Fiduciary agents, in addition to the annual return of income required by these regulations, shall make an annual list return, as provided by regulations for withholding agents, whenever payments of income to any beneficiary is in excess of \$3,000. Said list return shall be made on or before March first of each year to the Collector of Internal Revenue for the district in which said Fiduciary resides or has his principal place of business, giving name and address of each beneficiary of said trust, to whom annual income in excess of \$3,000 is paid, the amount of income paid to each beneficiary, giving source of income, the amount of exemption claimed by each beneficiary, if any, and the amount of income withheld for tax, and the said list return shall be signed by the Fiduciary making same, stating in what capacity acting, and give his name and full address.

Fiduciaries having an annual income that is not distributed or paid to the beneficiaries of the trust under which said Fiduciary acts shall make an annual list return, as provided herein, and said list return shall show the name and address of each beneficiary having a distributive interest in said income in excess of \$3,000, stating the distributive amount of each beneficiary, and shall give all information as required in said list returns, and shall withhold and pay to the collector, as provided by law, the normal tax of one per cent upon the distributive interest of each of said beneficiaries in excess of \$3,000, the same as if said income

was actually distributed and paid; exemption under paragraph C, however, may be claimed by the beneficiary or his legal representative by filing his claim for exemption with the Fiduciary agent.

When the fiduciary agents deduct, withhold and pay the normal tax on undivided annual net income as provided herein, they shall not be required to withhold and pay again the normal tax on said income when actually distributed and paid to said beneficiaries, nor shall the beneficiaries be required again to pay the normal tax on the amounts on which the tax has been paid when such amounts are distributed.

Where the normal tax is withheld and paid by fiduciary agents on undivided annual income, beneficiaries (or their legal representatives) in whose behalf said tax is paid may file notice with said fiduciary and claim the benefit of any annual exemption they may be entitled to under paragraph C of the Act of October 3, 1913, as provided by regulations, the same as if their distributive interest in said income was actually paid.

W. H. OSBORN,

Commissioner of Internal Revenue.

Approved:

W. G. McADOO,

Secretary of the Treasury.

(T. D. No. 1907.)

Supplemental Instructions as to Acceptance of Certificate Form 1000 as Originally Prescribed in Regulations of October 25, 1913; and the Original and Amended Form 1000 as It Has Been Adapted to the Use of Fiduciary Agents; and Certificate Forms 1001, 1003 and 1004 as They Have Been Adapted To the Use of Foreign Organizations and Partnerships.

Washington, D. C., November 26, 1913.

Certificates of ownership, Form 1000, as originally prescribed in Regulations of October 25, 1913, shall be accepted by debt-

ors or withholding agents when properly filled in and signed by the owner of the bonds or his duly authorized agent until December 10, 1913, and after that date only the amended Form 1000, as prescribed by Regulations, shall be accepted.

Form 1000, original and amended, as it has been adapted to the use of guardians, trustees, executors, administrators, agents, receivers, conservators, and all persons, corporations or associations acting in a fiduciary capacity, when properly filled in and signed and giving the information required by the regulations, shall be accepted by debtors or withholding agents until regulations giving a prescribed form of certificates of ownership for fiduciary agents are issued, and for thirty days thereafter.

Forms 1001, 1003 and 1004, as they have been adapted to the use of foreign organizations and foreign partnerships, when properly filled in and signed and giving the information required by regulations, shall be accepted by debtors or withholding agents until regulations giving a prescribed form of certificate of ownership for foreign organizations and foreign partnerships are issued, and for thirty days thereafter.

W. H. OSBORN,

Commissioner of Internal Revenue.

Approved:

W. G. McADOO,
Secretary.

(T. D. No. 1908.)

***Regulations Prescribing Form of Certificate
To Be Furnished by Foreign Organizations
Not Engaged in Business in the United
States and not Subject to the
Income Tax on Interest or
Other Income Collectible
at the Source.***

Washington, D. C., November 28, 1913.

The certificate to be furnished by foreign organizations not engaged in business in the United States shall be in substantially the following form:

HARRIS TRUST & SAVINGS BANK

CERTIFICATE TO BE FURNISHED BY FOREIGN
ORGANIZATIONS NOT SUBJECT TO TAX
ON INTEREST OR OTHER INCOME
AT SOURCE.

I, the
(Give name.)
.....
(Give official position.)
of the
(Name of organization.)
a
(Character of organization.)
of
(Country.)
Located at
(Postoffice address.)
do solemnly declare that said.....
.....
(Give name of organization.)
is a foreign organization, not engaged in
business in the United States, and is the
owner of \$..... bonds of the de-
nomination of \$..... each, Nos.
.....
.....
of theknown as
(Give name of debtor.)
.....
(Describe particular issue of bonds.)
bonds, from which were detached the ac-
companying coupons, due.....,
191..., amounting to \$....., or
upon which there matured.....,
191..., \$....., of registered inter-
est, or is the owner of.....
.....
(Property or investments.)
upon which there was accrued
191..., \$..... of income, and that
under the provisions of the Income Tax
Law, of October 3, 1913, said organization
being a foreign organization, said interest
or income is exempt from the payment of

HARRIS TRUST & SAVINGS BANK

taxes collectible at the source, which exemption is hereby claimed.

Date....., 191....,

Name,

.....
(Official position.)

Of.....
(Name of Organization.)

Address.....
(Postoffice.)

W. H. OSBORN,
Commissioner of Internal Revenue.

Approved: November 28, 1913.

W. G. McADOO,
Secretary.

(T. D. 1909.)

License Required for Collection of Income Received From Foreign Countries.

Supplemental Regulations as to Making Ap- plication, Filing Bond and Issuing License to Collecting Agencies of Income From Foreign Countries.

Washington, D. C., Nov. 28, 1913.

All persons, firms, or corporations undertaking for accommodation or profit (this includes handling either by way of purchase or collection) the collection of coupons, checks, bills of exchange, etc.,

- (a) for or in payment of interest upon bonds issued in foreign countries, and
- (b) upon foreign mortgages or like obligations, and
- (c) for any dividends upon stock or interest upon obligations of foreign corporations, associations, or insurance companies engaged in business in foreign countries,

who are required by law to obtain a license from the Commissioner of Internal Revenue, shall make application to the Collector of Internal Revenue, for the district in which they do business, for such license in the following form:

FORM OF APPLICATION FOR LICENSE FOR
THE COLLECTION OF INCOME FROM
FOREIGN COUNTRIES.

Form 1017

UNITED STATES INTERNAL REVENUE.
APPLICATION FOR LICENSE FOR COLLECTION
OF INCOME FROM FOREIGN COUNTRIES.

State of.....

County of.....

The undersigned,
(Name.)

.....
(Office.)

of
(State name of person, firm or corporation.)

being duly sworn according to law, declares that on and after the..... day of, 191..., he (we) intend.. to engage in the business of collecting foreign income payments of interest or dividends by means of coupons, checks, or bills of exchange. The aggregate amount of *annual* collections of such foreign income at the principal and branch offices is estimated at \$.....

The location of the principal and branch offices is as follows:

Principal Office

Branch Offices

.....
(If a firm, state names of members.)

.....

Said person, firm or corporation is now engaged in business as..... and desires to conduct the business of collecting foreign income at the above address or addresses, and hereby makes applica-

tion for the license required to be secured by persons, firms or corporations engaging in the business of collecting income from foreign countries under the provisions of paragraph E of Section II. of the Income tax law of October 3, 1913, and I (we) hereby promise and pledge myself (ourselves) to comply strictly with the provisions of said law and the rules and regulations of the Treasury Department which have been or may hereafter be issued in respect to the collection and payment of such foreign income.

Signed,

for
(Name of firm or corporation.)

Sworn to before me this
.....day of
..... 191...,
.....
.....

The Collector of Internal Revenue, upon receipt of such application, shall satisfy himself that the person, firm or corporation making application is considered to be of good character and business standing and may require that he or they shall be able to show a financial rating in one or more of the recognized mercantile agencies of the United States, equal to at least one-tenth of the estimated amount of annual collections of foreign income as stated in the application.

The Collector of Internal Revenue having thus satisfied himself of the business and financial reliability of the person, firm or corporation making application for license, may issue the license without requiring a bond for the faithful performance of duty and compliance with the law and regulations.

In cases where the person, firm or corporation shall fail to satisfy the Collector of Internal Revenue of his or their busi-

ness or financial reliability, the Collector may refuse to issue license or may issue a license upon the applicant filing a surety bond satisfactory to the Commissioner of Internal Revenue for a penal sum equal to two per cent of the estimated amount of collections stated in the application, the minimum penal sum, however, to be \$1,000, and the maximum not in excess of \$100,000.

The bond, when required, shall be executed in duplicate, one of which shall be retained in the office of the Collector of Internal Revenue with whom the bond is filed, and the other shall be forwarded by the Collector to the Commissioner of Internal Revenue at Washington, D. C.

The form of license to be issued shall be as follows:

Form 1010

No.....

TREASURY DEPARTMENT.

OFFICE OF THE COMMISSIONER OF INTERNAL
REVENUE. LICENSE FOR COLLECTION
OF FOREIGN INCOME.

.....located and
doing business at
.....
and engaged in the business of.....
....., having made application in accordance with the provisions of Section II. of the Act of October 3, 1913, and the regulations made in pursuance thereof, is hereby licensed to accept for collection coupons, checks, and bills of exchange for or in payment of interest upon bonds issued in foreign countries and upon foreign mortgages or like obligations, and for the dividends upon stock of foreign corporations, foreign joint-stock companies or associations, or foreign insurance companies engaged in business in foreign countries, from:....., 191..., until revoked.

This license will not be valid until countersigned by the Collector of Internal Revenue for the district in which issued.

Countersigned:

.....
(Collector.)

.....Dist.,....

Commissioner of Internal Revenue.

This license, made up in the form of bound books containing 50 each, with appropriate stubs, will be furnished in blank to the Collectors of Internal Revenue, with the facsimile signature of the Commissioner of Internal Revenue thereon, and shall not be valid until countersigned by the Collector of Internal Revenue by whom issued.

This license may be issued without cost to the persons to whom issued and shall continue in full force until revoked. Failure to give or renew the bond in cases where a bond is required will automatically revoke the license.

In cases where licenses are issued without bond, the Collector shall, at stated yearly periods, inquire into and satisfy himself of the financial responsibility of all licensees.

When any person, firm or corporation has branch offices and desires to collect said foreign interest or dividend income through said branch offices, the application for license or licenses shall be made (and bond furnished, when a bond is required) by the person, firm or corporation through its principal office for its branch office or offices.

The bond in such cases shall be based on the total amount of such foreign business transacted by both the home office and its branch office or offices.

This application for licenses shall be made (and bond furnished when bond is required) to the Collector of Internal Revenue for the district in which the principal or home office is located. The names and

addresses of the branch offices shall be furnished to the Collector in the application of the said principal and if the requirements of the Bureau of Internal Revenue are complied with to the satisfaction of the said collector, then said collector shall certify this fact to the Collector of Internal Revenue for the district in which the branch office for which the license is desired is located, and the collector to whom this certification is made shall thereupon issue a license as provided herein to such branch office.

No bond will be required in any case for the month of December, 1913, but the required license may be issued by Collectors of Internal Revenue immediately upon receipt of the blank licenses in all cases where the applications for licenses which may have been filed shall have been duly approved.

The bond, if required, must be filed for the calendar year 1914 and for each calendar year thereafter.

All bonds must be renewed or new bonds furnished on or before January 1 of each successive year.

The applications for these licenses and the stubs of the licenses issued shall be retained and preserved in the offices of the Collectors of Internal Revenue.

W. H. OSBORN,
Commissioner.

Approved November 28, 1913.

W. G. McADOO,
Secretary of the Treasury.





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